

FROM:

EXTENSION

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4 June 1987

-STAT

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COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

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FYI

Some issues being thrashed out
HR Task Force. Provided by

STAT

Stan

12

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CMO

19 MAY 1987

1. Comparability Increases

a. ~~Do we give them to employees at the same time as the rest of government?~~

Yes - simplifies administration

No - erodes concept of one annual salary adjustment

Assume if grid perm-3/bonus-3 + comp 3 = 6/3?

b. What happens when we change our pay structure after "market-pricing" but GS doesn't change or doesn't change at same rate?

1. There might be no additional money into system.
2. We might not give our people any different comparability increase (or go it alone).
3. Even if only change structure - this helps people.
 - a. The pay potential increases so if at top have room for additional permanent increase.
 - b. While salary doesn't change as range moves - can find self in lower quartile and will do better in terms of salary grid
 - c. Query - if at bottom of scale and structure adjustment puts you below minimum, do you get an immediate increase?

2. Promotion

1. Should promotion from entry-level-journeyman level be within purview of 1st line or panel?

1st line - gives more authority to supervisors.

panel - fewer promotions so each is important - may spend great deal of time in level 2 so should be panel decision

2. When is an individual considered for promotion?

- a. Panel considers everyone each time.
- b. Panel considers if manager recommends.
- c. Panel considers if individual has mets minimum requirements listed in career handbook.
- d. Panel considers under b, c, and d.

Discussion:

a. Yes - Since panel already reviewing employee for pay adjustment - can easily review for promotion

No - Panel review for pay adjustment uses different consideration than review for promotion so "a" is more time-consuming and not

- b. Regardless of what else if manager feels employee ready for promotion - panel should consider.
- c. Assumption is that midpoint of salary range is what job is worth and depending on capability it will take a number of years to reach midpoint. At that point the employee should be considered.
- d. If individual has met skill, training, and other guidelines—while this not sufficient, individual ought to be able to ask to be considered.

3. Salary Adjustment and Promotion

Panels (peer or management as exists now)

- One panel or two?

- Different criteria but time saver if when panel is up to speed on employee, it can look at both salary adjustment and promotion.
- One salary adjustment annually and one annual promotion evaluation?

- When do panels meet?

- Spread out throughout year as now do with GS grades?
- Condense whole process into 2-3 months?

Issues: A. How large a group of employees to be handled?

1. Do by occupation and then by level? (What is largest GS panel group now?)
2. Do by level and then by occupation?
 - a) Do level per month?
Panel look at all level one A's, then B's.....
 - b) If too large 2 months per level. All level one A's this month, all level one B's next month.

B. Need for flexibility in allocating money. If do all levels before actually distribute money can adjust money between levels as needed.

C. Should first line be able to give full performance employee (PAR 3) the normal permanent?

Issues: Impact on PAR honesty/strategy if "3" goes to panel too.

- First line now does so--so no change.
- Would thereby link pay to PAR for level 3 and below without need for panel while for level 4 and 5 pay-for-performance would be combination of performance appraisal and competitive ranking.

4. Distribution of Promotions and Salary Adjustment

When?

- If panel does both and if condensed into few months all promotions and pay adjustments could be given out at the same time for all employees.
- Can separate promotions and give those a month after panel meets while giving all salary adjustments at the same time once per year.
- If one annual pay adjustment--give in January--like SIS to allow time for tax planning and to keep close enough to beginning of fiscal year so as not to run into unexpected problems.
- If not need money flex between levels can give both immediately. Better linkage of pay-to-performance if close in time to rating period.
- If single annual pay adjustment need prorate first time where appropriate but then are on annual cycle and ok.
- If annual pay adjustment includes comparability then need prorate each time so employees less disadvantaged compared with rest of government.
- Bonuses -- suggest given as lump sum, not divided over the year.
- Promotion -- What is it worth?

a. Determine average now and give that.

Yes -- Mimics present system.

No -- Performance grid includes promotion money

b. Worth 2x highest permanent increase.

c. Worth 2x of permanent increase you could get but a minimum of _____.

1. take into account where in quartile you are or
2. take into account your performance ranking.

- Implications of different occupations having different levels.

5. Expert-Manager Track

A. Two benefits suggested: annual level and participation in MEIPP Management 1st line, 2nd line, 3rd line

B. Level of manager for inclusion

- Any level manager for leave carryover limit increase
- Given wide disparity in 1st line managers suggest salary dollar minimum for participation in MEIPP or limit to 2nd line manager only.

C. 1st line manager -- manager evaluation by component panel

Expert

Level above full performance/senior -- likely to be higher level than 1st line manager.

Suggest all experts given both benefits
Additional annual leave carryover and participation in MEIPP

- a. Need review number in MEIPP - check cost assumptions i.e., equivalent to today all 14-15? some
- b. Who designates individuals into MEIPP? a) Related to position?
b) Designated by component, career service, or Deputy Directors?

6. System Controls

1. Need software package to be available to managers to track "10 year" cost implications of promotions, pay-for-performance decisions.
2. How decide on salary grid?
 - Is it annual decision or longer term?
 - Suggest Office of the Comptroller give budget constraints.
CP construct grid-evaluation impact.
If more money needed bring to ExCom to determine if should be transfer of program money for personnel money.
3. How managers control system? How determine how many on each level?
How change numbers at each level? Thresholds? Overall ceiling?
Level/occupation ceiling?
4. Audit mechanism - CP

Instead of survey or ad-hoc out of cycle position review - audit spot check after the fact.